

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY MADRID

C O N F I D E N T I A L STATE 214201

FOLLOWING REPEAT VALLETTA 964 SENT ACTION SECSTATE INFO ROME  
BONN PARIS LONDON TRIPOLI ALGIERS NATO BRUSSELS AUG 26.  
QUOTE C O N F I D E N T I A L VALLETTA 0964

USEEC

E.O. 11652: GDS

TAGS: PFOR, FR, IT, MT

SUBJECT: ITALIAN / FRENCH DIALOGUE WITH MINTOFF

1. SUMMARY: ITALIAN AMBASSADOR DA-RIN SAYS THAT DESPITE  
PRESSURE FROM MINTOFF FOR EARLIER TALKS, DIALOGUE BETWEEN  
MALTESE AND ITALIANS/FRENCH RE POST-1979 MALTA WILL NOT  
BEGIN BEFORE LATE SEPTEMBER. ITALIANS WILL TRY TO FOCUS  
DIALOGUE IN FIRST INSTANCE ON SPECIFICS OF NEUTRALITY  
GUARANTEE ARRANGEMENTS, BUT EXPECT MALTESE TO INSIST ON  
SIMULTANEOUS FOCUS ON ECONOMIC QUID AT EVERY TURN. DA-RIN  
HAS ASKED BOTH US AND GERMAN EMBASSY TO COME UP WITH OUR  
OWN IDEAS RE AID AND NEUTRALITY STATUS FOR MALTA.

ACTION REQUESTED: THAT DEPARTMENT UNDERTAKE A STRICTLY  
IN-HOUSE ASSESSMENT OF NEUTRALITY ARRANGEMENTS THAT MALTESE  
PRESENTLY ENVISAGE AS WELL AS AT LEAST INTERIM ASSESSMENT  
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OF MALTA'S LIKELY ECONOMIC SITUATION FOLLOWING UK DEPARTURE.  
END SUMMARY.

2. ALTHOUGH MINTOFF HAS PRESSED HARD FOR DIALOGUE WITH  
EUROPEANS TO RESUME IN AUGUST, ITALIANS AND FRENCH MADE  
CLEAR THEY WOULD NOT BE READY BEFORE MID TO LATE SEPTEMBER.  
ITALIANS CONTINUING TO RESIST MINTOFF PRESSURE TO SEE

ANDREOTTI AND HOPE IT CAN BE PUT OFF UNTIL TRIP THEY UNDERSTAND MINTOFF PLANS TO GERMANY AROUND SEPTEMBER 24-25, NATURE OF WHICH NOT EVEN KNOWN BY GERMAN AMBASSADOR HERE.

3. DA-RIN SAYS HIS FOREIGN OFFICE HAS ADVISED HIM THAT GOI UNDERSTANDING OF BONN'S POSITION (WHICH GOI SEES AS CRUCIAL BECAUSE OF FINANCIAL CONSIDERATIONS) IS THAT BONN IS PREPARED IN PRINCIPLE TO CONSIDER PARTICIPATION IN SOME ECONOMIC SUPPORT PACKAGE FOR MALTA AFTER 1979 PROVIDED IT IS BROADLY WESTERN IN NATURE. (GERMAN AMBASSADOR DOES NOT DISPUTE THIS BUT INSISTS THAT GRANT AID AT PRESENT NATO RENTAL LEVEL IS OUT OF THE QUESTION.) BONN, HOWEVER, IS REPORTEDLY APPREHENSIVE OVER "SHADOWS" THAT THEY SEE OBSCURING REAL NATURE OF PRESENT AND FUTURE MALTESE/LIBYAN POLITICAL/SECURITY RELATIONSHIP AND THEREFORE WILL INSIST THAT THIS BE FULLY CLARIFIED BEFORE BONN MAKES ANY COMMITMENT REGARDING FINANCIAL ASPECTS.

4. DA-RIN SAYS THAT HE IS THEREFORE UNDER INSTRUCTION TO TRY TO GET DIALOGUE TO FOCUS IN FIRST INSTANCE SOLELY ON THE NEUTRALITY ARRANGEMENTS THAT MALTA WILL OFFER AND THAT ITS NEIGHBORS IN TURN WILL GUARANTEE. BUT HE EXPECTS MALTESE TO REFUSE TO BE TIED DOWN ON THIS PACKAGE WITHOUT RAISING ECONOMIC SUPPORT DEMANDS "AT THE END OF EVERY SENTENCE".

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5. DA-RIN ALSO TOOK NOTE OF WHAT ROME HAS ADVISED HIM TO BE U.S. POSITION ON MALTA AS CONVEYED TO ANDREOTTI IN WASHINGTON; TO WIT:

A. CONTINUED ENCOURAGEMENT TO ITALY AND TO EUROPEAN PARTNERS TO PURSUE THE DIALOGUE WITH MINTOFF.

B. A WILLINGNESS TO CONSIDER PARTICIPATION IN ECONOMIC SUPPORT AT A LATER STAGE.

C. A CERTAIN IRRITATION WITH THE "EXCESSIVE MERCANTILISM" OF THE MALTESE.

6. DA-RIN, NOTING HE WAS SPEAKING WITHOUT INSTRUCTIONS AT THIS POINT, BELIEVES IT IS BOTH NECESSARY AND URGENT THAT FRG AS WELL AS USG BEGIN TO GIVE SOME SPECIFIC CONSIDERATION TO WHAT BOTH GOVERNMENTS ARE PREPARED TO DO TO CONTRIBUTE TO AN UNDERSTANDING WITH MINTOFF. (HE EXCLUDES BOTH FRENCH AND BRITISH AS VIRTUALLY CERTAIN TO REFUSE ANY DIRECT FINANCIAL AID AFTER 1979.) AS DA-RIN SEES IT, "ENCOURAGEMENT" TO CONTINUE THE DIALOGUE CAN SUFFICE ONLY FOR SO LONG; EVENTUALLY, AND THE SOONER THE BETTER, ROME WOULD NEED TO HAVE SOME INDICATION

WHAT ROLE IF ANY THE U.S. AND OTHERS ARE PREPARED TO PLAY.

7. DA-RIN SAID THIS WAS ESPECIALLY IMPORTANT IN CONNECTION WITH NEUTRALITY ARRANGEMENTS, WHICH HE ASSUMED WOULD MATTER TO U.S. EVEN MORE THAN ANYONE ELSE, GIVEN LARGE U.S. SECURITY INTEREST IN MEDITERRANEAN. PRESENT STATUS WAS THAT ITALIANS AND FRENCH HAD TAKEN WRITTEN POSITION WITH MALTESE THAT THEY ARE PREPARED TO ACKNOWLEDGE OFFICIALLY A MALTESE DECLARATION OF NEUTRALITY "ACCORDING TO MODALITIES THAT WILL BE AGREED UPON". THIS WOULD INCLUDE A GUARANTEE, IN THE EVENT OF A VIOLATION OR THREAT TO MALTESE NEUTRALITY, TO ENGAGE THEMSELVES, TOGETHER WITH MALTA AND ALL OTHER INTERESTED COUNTRIES, IN CONSULTATIONS TO EXAMINE THE SITUATION AND FIND APPROPRIATE DIPLOMATIC INITIATIVES THAT  
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COULD BE TAKEN IN ACCORDANCE WITH THE UN CHARTER. (SEE STATE 137714, JUNE 15, 1977).

8. DA-RIN SAID DURING COMING WEEKS, PARIS AND ROME WILL BE CONSIDERING WHETHER THERE ARE WAYS THEY MIGHT ENLARGE ON THESE UNDERTAKINGS, STILL AVOIDING ANY PARTICIPATION IN A MULTILATERAL GUARANTEE BUT ADDING SOMETHING, PERHAPS WITH REFERENCE TO THE UN, THAT WOULD BRING IT CLOSER TO WHAT THE MALTESE CLAIM THE LIBYANS ARE READY TO DO. (MALTA 0707).

9. ON MALTESE SIDE, NEUTRALITY UNDERTAKING WOULD BE AS CONVEYED TO ITALIANS AND FRENCH IN FEBRUARY 1977; I.E. AN "ACTIVE" POSTURE OF NEUTRALITY FOLLOWING A NON-ALIGNED POLICY DEDICATED TO MAKING MEDITERRANEAN A "SEA OF PEACE"; NO FOREIGN MILITARY BASES; NO UTILIZATION OF ITS TERRITORY FOR MILITARY PURPOSES EXCEPT SELF-DEFENSE; NO SUPERPOWER PRESENCE; AGREED UTILIZATION OF DOCKYARDS ON PURELY COMMERCIAL BASIS BY FOREIGN WARSHIPS BUT NOT THOSE OF SUPERPOWERS; ALL OF WHICH TO BE OPEN TO GUARANTEES BY OTHER MEDITERRANEAN STATES. (SEE USNATO 4110 OF MAY 26, 1977). ONE SPECIFIC QUESTION RAISED BY DA-RIN WAS WHETHER WE HAD ANY VIEWS OURSELVES ON SPECIFICS OF COMMITMENTS THAT EUROPEANS SHOULD ASK OF MALTESE REGARDING NON-SUPERPOWER WARSHIP ACCESS TO DRYDOCKS.

10. IN RESPONSE TO DA-RIN'S URGING THAT WE BEGIN TO SHOW OUR HAND, I SAID I WOULD SEE WHAT SPECIFIC IDEAS IF ANY WE HAD ON THE NEUTRALITY ARRANGEMENTS. ON FINANCIAL ASSISTANCE, HOWEVER, I SAID I THOUGHT WE WOULD HAVE RESERVATIONS ABOUT ANYONE MAKING ANY COMMITMENTS AT THIS POINT REGARDING A POST-1979 GRANT AID PACKAGE. NO ONE, INCLUDING MALTESE, SEEMED TO HAVE ANY REAL IDEA WHAT SUPPORT OF THAT KIND WOULD REALLY BE NEEDED AND I THOUGHT  
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IT PARTICULARLY UNWISE TO GIVE MALTESE ANY INDICATION THAT ITALY OR ANYONE ELSE WOULD CONTINUE PRESENT NATO-RENTAL LEVELS AFTER 1979. (WE NOTE THE LATEST EVIDENCE OF MINTOFF'S INSISTENCE ON SUCH AID IN BRUSSELS 10414.) HOPEFULLY OUTSIDE INVESTMENT WILL HAVE MADE UP SOME OF THE GAP BY THEN AND THERE COULD WELL BE OTHER MEANS (E.G. DEVELOPMENT LOANS FOR PROJECTS LIKE MARSAXXLOK HARBOR) THAT COULD BRING IN BOTH THE OUTSIDE RESOURCES AND THE EMPLOYMENT OPPORTUNITIES NEEDED WITH THE BRITISH DEPARTURE. (INCIDENTALLY BOTH ITALIAN AND GERMAN AMBASSADORS AGREE THAT EEC BUREAUCRACY COULD USEFULLY DO AN INDEPENDENT ASSESSMENT OF MALTA'S ECONOMIC PROSPECTS, POST-1979.)

11. ACTION REQUESTED: WHILE I AGREE STRONGLY THAT WE SHOULD CONTINUE TO AVOID GETTING DIRECTLY INVOLVED IN ITALIAN/FRENCH DIALOGUE WITH MINTOFF, I THINK WE CAN AND SHOULD DO SOME HOMEWORK OF OUR OWN. ON NEUTRALITY ARRANGEMENTS, WE HAVE ALREADY HAD REQUEST (GAJA TO VEST, STATE 137714) FOR ANY VIEWS WE MIGHT HAVE ON POLITICAL AND JURIDICAL ASPECTS OF FORMULA THAT IS PRESENTLY EVOLVING. I THINK DEPARTMENT SHOULD UNDERTAKE A STUDY OF THIS, LEAVING UNTIL WE SEE WHAT WE COME UP WITH TO DECIDE WHETHER NOW IS THE TIME TO PASS ANY VIEW ALONG TO ITALIANS.

12. ON ECONOMIC SUPPORT, I AGREE FULLY WITH DEPARTMENT THAT WE SHOULD CONTINUE TO AVOID ANY COMMITMENTS OR INVOLVEMENT OF ANY KIND. HOWEVER, WHETHER OR NOT EUROPEANS, THROUGH EEC OR OTHER MEANS, COME UP WITH THEIR OWN ASSESSMENT, THIS EMBASSY WOULD WELCOME DEPARTMENT ALSO TAKING A LOOK AT THIS ISSUE ON THE BASIS OF WHATEVER WE CAN PROJECT FOR 1979 FROM FACTS PRESENTLY AVAILABLE. WE ARE READY TO ASSIST WITH RAW MATERIAL FROM HERE, BUT WE ARE WITHOUT EITHER DCM OR ECONOMIC OFFICER UNTIL NEW OFFICERS ARE ON BOARD BY LATE SEPTEMBER. LAINGEN UNQUOTE VANCE

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## Message Attributes

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